



General Assembly

January Session, 2003

***Raised Bill No. 910***

LCO No. 1225

Referred to Committee on Commerce

Introduced by:  
(CE)

***AN ACT CONCERNING THE AUTHORITY OF THE CONNECTICUT  
DEVELOPMENT AUTHORITY TO FUND PROJECTS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (d) of section 32-23d of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective from*  
3 *passage*):

4 (d) "Project" means any facility, plant, works, system, building,  
5 structure, utility, fixture or other real property improvement located in  
6 the state, any machinery, equipment, furniture, fixture or other  
7 personal property to be located in the state and the land on which it is  
8 located or which is reasonably necessary in connection therewith,  
9 which is of a nature or which is to be used or occupied by any person  
10 for purposes which would constitute it as an economic development  
11 project, information technology project, public service project, urban  
12 project, recreation project, commercial fishing project, health care  
13 project, the convention center project, as defined in subdivision (3) of  
14 section 32-600, nonprofit project or remediation project, and any real  
15 property improvement reasonably related thereto. A project may be  
16 acquired (1) directly, or (2) indirectly through the purchase of all or

17 substantially all of the stock of a corporation. [A project shall not  
18 include new materials, work in process, stock in trade or stock of a  
19 corporation.]

20 Sec. 2. Section 32-23e of the general statutes is repealed and the  
21 following is substituted in lieu thereof (*Effective from passage*):

22 To accomplish the purposes of the authority, as defined in  
23 subsection (t) of section 32-23d, which are hereby determined to be  
24 public purposes for which public funds may be expended, and in  
25 addition to any other powers provided by law, the authority shall have  
26 power to: (1) Determine the location and character of any project to be  
27 financed under the provisions of said chapters and sections, provided  
28 any financial assistance shall be approved in accordance with written  
29 procedures prepared pursuant to subdivision (14) of this section; (2)  
30 purchase, receive, by gift or otherwise, lease, exchange, or otherwise  
31 acquire, and construct, reconstruct, improve, maintain, equip and  
32 furnish one or more projects, including all real and personal property  
33 which the authority may deem necessary in connection therewith, and  
34 to enter into a contract with a person therefor upon such terms and  
35 conditions as the authority shall determine to be reasonable, including  
36 but not limited to reimbursement for the planning, designing,  
37 financing, construction, reconstruction, improvement, equipping,  
38 furnishing, operation and maintenance of the project and any claims  
39 arising therefrom and establishment and maintenance of reserve and  
40 insurance funds with respect to the financing of the project; (3) insure  
41 any or all payments to be made by the borrower under the terms of  
42 any agreement for the extension of credit or making of a loan by the  
43 authority in connection with any economic development project to be  
44 financed, wholly or in part, through the issuance of bonds or mortgage  
45 payments of any mortgage which is given by a mortgagor to the  
46 mortgagee who has provided the mortgage for an economic  
47 development project upon such terms and conditions as the authority  
48 may prescribe and as provided herein, and the faith and credit of the  
49 state are pledged thereto; (4) in connection with the insuring of

50 payments of any mortgage, request for its guidance a finding of the  
51 municipal planning commission, or, if there is no planning  
52 commission, a finding of the municipal officers, of the municipality in  
53 which the economic development project is proposed to be located, or  
54 of the regional planning agency of which such municipality is a  
55 member, as to the expediency and advisability of the economic  
56 development project; (5) sell or lease to any person, all or any portion  
57 of a project, purchase from eligible financial institutions mortgages  
58 with respect to economic development projects, purchase or  
59 repurchase its own bonds, and sell, pledge or assign to any person any  
60 such bonds, mortgages, or other loans, notes, revenues or assets of the  
61 authority, or any interest therein, for such consideration and upon  
62 such terms as the authority may determine to be reasonable; (6)  
63 mortgage or otherwise encumber all or any portion of a project  
64 whenever it shall find such action to be in furtherance of the purposes  
65 of said chapters and sections; (7) enter into agreements with any  
66 person, including prospective mortgagees and mortgagors, for the  
67 purpose of planning, designing, constructing, acquiring, altering and  
68 financing projects, providing liquidity or a secondary market for  
69 mortgages or other financial obligations incurred with respect to  
70 facilities which would qualify as a project under this chapter,  
71 purchasing loans made by regional corporations under section 32-276,  
72 or for any other purpose in furtherance of any other power of the  
73 authority; (8) grant options to purchase or renew a lease for any of its  
74 projects on such terms as the authority may determine to be  
75 reasonable; (9) employ or retain attorneys, accountants and  
76 architectural, engineering and financial consultants and such other  
77 employees and agents and to fix their compensation and to employ the  
78 Connecticut Development Credit Corporation on a cost basis as it shall  
79 deem necessary to assist it in carrying out the purposes of said  
80 authority legislation; (10) borrow money or accept gifts, grants or loans  
81 of funds, property or service from any source, public or private, and  
82 comply, subject to the provisions of said authority legislation, with the  
83 terms and conditions thereof; (11) accept from a federal agency loans

84 or grants for use in carrying out its purpose, and enter into agreements  
85 with such agency respecting any such loans or grants; (12) provide  
86 tenant lease guarantees and performance guarantees, [and] invest in,  
87 extend credit or make loans to any person for the planning, designing,  
88 financing, acquiring, constructing, reconstructing, improving,  
89 expanding, continuing in operation, equipping and furnishing of a  
90 project and for the refinancing of existing indebtedness with respect to  
91 any facility or part thereof which would qualify as a project in order to  
92 facilitate substantial improvements thereto, which guarantees,  
93 investments, credits or loans may be secured by loan agreements, lease  
94 agreements, installment sale agreements, mortgages, contracts and all  
95 other instruments or fees and charges, upon such terms and conditions  
96 as the authority shall determine to be reasonable in connection with  
97 such loans, including provision for the establishment and maintenance  
98 of reserve and insurance funds and in the exercise of powers granted  
99 in this section in connection with a project for such person, to require  
100 the inclusion in any contract, loan agreement or other instrument, such  
101 provisions for the construction, use, operation and maintenance and  
102 financing of a project as the authority may deem necessary or  
103 desirable; (13) in connection with any application for assistance under  
104 said authority legislation, or commitments therefor, to make and  
105 collect such fees and charges as the authority shall determine to be  
106 reasonable; (14) adopt procedures, in accordance with the provisions  
107 of section 1-121, to carry out the provisions of said authority  
108 legislation, which may give priority to applications for financial  
109 assistance based upon the extent the project will materially contribute  
110 to the economic base of the state by creating or retaining jobs,  
111 providing increased wages or benefits to employees, promoting the  
112 export of products or services beyond the boundaries of the state,  
113 encouraging innovation in products or services, encouraging defense-  
114 dependent business to diversify to nondefense production, promoting  
115 standards of participation adopted by the Connecticut partnership  
116 compact pursuant to section 33-374g of the general statutes, revision of  
117 1958, revised to 1991, or will otherwise enhance existing activities that

118 are important to the economic base of the state, provided regulation-  
119 making proceedings commenced before January 1, 1989, shall be  
120 governed by sections 4-166 to 4-174, inclusive; (15) adopt an official  
121 seal and alter the same at pleasure; (16) maintain an office at such place  
122 or places within the state as it may designate; (17) sue and be sued in  
123 its own name and plead and be impleaded, service of process in any  
124 action to be made by service upon the executive director of said  
125 authority either in hand or by leaving a copy of the process at the  
126 office of the authority with some person having charge thereof; (18)  
127 employ such assistants, agents and other employees as may be  
128 necessary or desirable for its purposes, which employees shall be  
129 exempt from the classified service and shall not be employees as  
130 defined in subsection (b) of section 5-270; establish all necessary or  
131 appropriate personnel practices and policies, including those relating  
132 to hiring, promotion, compensation, retirement and collective  
133 bargaining, which need not be in accordance with chapter 68 and the  
134 authority shall not be an employer as defined in subsection (a) of  
135 section 5-270; contract for and engage appraisers of industrial  
136 machinery and equipment, consultants and property management  
137 services, and utilize the services of other governmental agencies; (19)  
138 when it becomes necessary or feasible for the authority to safeguard  
139 itself from losses, acquire, purchase, manage and operate, hold and  
140 dispose of real and personal property, take assignments of rentals and  
141 leases and make and enter into all contracts, leases, agreements and  
142 arrangements necessary or incidental to the performance of its duties;  
143 (20) in order to further the purposes of said authority legislation, or to  
144 assure the payment of the principal and interest on bonds or notes of  
145 the authority or to safeguard the mortgage insurance fund, purchase,  
146 acquire and take assignments of notes, mortgages and other forms of  
147 security and evidences of indebtedness, purchase, acquire, attach,  
148 seize, accept or take title to any project by conveyance or, by  
149 foreclosure, and sell, lease or rent any project for a use specified in said  
150 chapters and sections or in said chapter 579; (21) adopt rules for the  
151 conduct of its business; (22) invest any funds not needed for immediate

152 use or disbursement, including any funds held in reserve, in  
153 obligations issued or guaranteed by the United States of America or  
154 the state of Connecticut and in other obligations which are legal  
155 investments for savings banks in this state; (23) do, or delegate, any  
156 and all things necessary or convenient to carry out the purposes and to  
157 exercise the powers given and granted in said authority legislation;  
158 provided, in all matters concerning the internal administrative  
159 functions of the authority which are funded by amounts appropriated  
160 by the state to the authority or to the department, the procedures of the  
161 state relating to office space, supplies, facilities, materials, equipment  
162 and professional services shall be followed, and provided further, that  
163 in the acquisition by the authority of real estate involving the use of  
164 appropriated funds or bonds supported by the full faith and credit of  
165 the state, the authority shall be subject to the provisions of section 4b-  
166 23; (24) to accept from the department: (A) Financial assistance, (B)  
167 revenues or the right to receive revenues with respect to any program  
168 under the supervision of the department, and (C) loan assets or equity  
169 interests in connection with any program under the supervision of the  
170 department; to make advances to and reimburse the department for  
171 any expenses incurred or to be incurred by it in the delivery of such  
172 assistance, revenues, rights, assets or amounts; to enter into  
173 agreements for the delivery of services by the authority, in  
174 consultation with the department, the Connecticut Housing Finance  
175 Authority and Connecticut Innovations, Incorporated, to third parties  
176 which agreements may include provisions for payment by the  
177 department to the authority for the delivery of such services; and to  
178 enter into agreements with the department or with the Connecticut  
179 Housing Finance Authority or Connecticut Innovations, Incorporated  
180 for the sharing of assistants, agents and other consultants,  
181 professionals and employees, and facilities and other real and personal  
182 property used in the conduct of the authority's affairs; and (25) to  
183 transfer to the department: (A) Financial assistance, (B) revenues or the  
184 right to receive revenues with respect to any program under the  
185 supervision of the authority, and (C) loan assets or equity interests in

186 connection with any program under the supervision of the authority,  
187 provided the transfer of such financial assistance, revenues, rights,  
188 assets or interests is determined by the authority to be practicable,  
189 within the constraints and not inconsistent with the fiduciary  
190 obligations of the authority imposed upon or established upon the  
191 authority by any provision of the general statutes, the authority's bond  
192 resolutions or any other agreement or contract of the authority and to  
193 have no adverse effect on the tax-exempt status of any bonds of the  
194 authority or the state.

This act shall take effect as follows:	
Section 1	<i>from passage</i>
Sec. 2	<i>from passage</i>

***CE***      ***Joint Favorable***